



***United States Attorney  
Southern District of New York***

**FOR IMMEDIATE RELEASE**

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**NORMAN HSU PLEADS GUILTY TO INVESTMENT FRAUD**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that NORMAN HSU pleaded guilty today to ten counts of mail and wire fraud stemming from his role in an investment fraud scheme that defrauded investors across the United States. HSU, a resident of New York, New York, pleaded guilty in Manhattan federal court to Counts One through Ten of the superseding Indictment in which he is charged before United States District Judge VICTOR MARRERO. Four counts of the superseding Indictment, charging campaign finance fraud, remain pending against HSU.

According to the superseding Indictment filed in Manhattan federal court and statements made during HSU's guilty plea proceedings:

HSU was the Managing Director of two companies, Components Ltd. and Next Components Ltd. HSU solicited investments in the companies by promising guaranteed short-term high returns. The companies would supposedly generate funds to pay those attractive returns by providing short-term financing to other businesses. After receiving money from victim investors, HSU, for a time, paid interest and returned principal as promised. Believing HSU to be trustworthy and the companies to be legitimate and potentially profitable, victims often agreed to roll over their invested funds into new investments with HSU; invest more money with HSU; and recruit friends to invest with HSU. In reality, money returned to earlier investors was paid with money received from subsequent investors. From 2000 through August 2007, HSU convinced victims to invest at least \$60 million in his fraudulent scheme. In the end, after making some payments intended to perpetuate the scheme, HSU swindled his victims out of at least \$20 million.

HSU pleaded guilty to five counts of mail fraud and five counts of wire fraud in connection with the investment fraud scheme.

Trial on the remaining campaign finance fraud counts is set to begin on May 11, 2009. As to those charges, HSU is presumed innocent unless and until he is found guilty.

Mr. DASSIN praised the work of the Federal Bureau of Investigation in the investigation of this case.

If you believe you are a victim of the Components Ltd. and Next Components Ltd. investment fraud, including a victim entitled to restitution, and you wish to provide information to law enforcement and/or receive notice of future developments in the case or additional information, please contact Wendy Olsen-Clancy, the Victim Witness Coordinator at the United States Attorney's Office for the Southern District of New York, at (866)874-8900, or Wendy.Olsen@usdoj.gov. For additional information, go to: <http://www.usdoj.gov/usao/nys/victimwitness.html> on the Internet.

This prosecution is being handled by the Office's Public Corruption Unit. Assistant United States Attorneys KATHERINE A. LEMIRE, ALEXANDER J. WILLSCHEER, and RUA M. KELLY are in charge of the prosecution.

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